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NonExempt Institutions

(Less than 100% of the institution qualifies as a TABOR designated enterprise. May include Exempt activities.)

COFRS ACCOUNTING MODEL

Insurance Recoveries - No Asset Impairment

Used to record insurance recoveries. This model assumes the event does not qualify as an impairment (1).
Insurance recoveries in the current year offset maintenance expense.
Insurance recoveries from prior years are recorded as revenue without offset.

Authoritative Source(s): The Higher Education Policy Setting Group (HEP)
Fiscal Procedures Manual Chapter 9 sections 1 and 2, March 2007
GASB Statement 42

| Example: Record Restoration of Equipment and Insurance Recovery | | | | | | | |
|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|-----------|----------|-------------|----------------------|----------------------|
| COFRS JOURNAL ENTRY CODING | | | | | | | |
| | Fund/Agency | APPR | Program | AcctType | BSA/RSC/OBJ | DR | CR |
| ACTIVITY = RECORD EQUIPMENT RESTORATION COSTS | | | | | | | |
| 1 | Appropriate Fund Higher Ed NonTABOR Enterprise ⁽²⁾ Appropriate Appropriation Code Higher Education Activity E&G or NonE&G Expense Other Maintenance /Repair Svcs | 3XX/GXX 305/GXX NAP/LBA NAP | 1100/1900 | 22 | 2210 | \$1,000 | |
| 2 | Appropriate Fund Higher Ed NonTABOR Enterprise ⁽²⁾ Not used with Balance Sheet Accounts Asset Cash | 3XX/GXX 305/GXX XXX | XXX | 01 | 1100 | | \$1,000 |
| ACTIVITY = RECORD INSURANCE PROCEEDS RECEIVED IN THE SAME FISCAL YEAR AS EXPENSE IS INCURRED | | | | | | | |
| 3 | Appropriate Fund Higher Ed NonTABOR Enterprise ⁽²⁾ Not used with Balance Sheet Accounts Asset Cash | 3XX/GXX 305/GXX XXX | XXX | 01 | 1100 | \$900 | |
| 4 | Appropriate Fund Higher Ed NonTABOR Enterprise ⁽²⁾ Appropriate Appropriation Code Higher Education Activity E&G or NonE&G Revenue Insurance Recovery - Current Year | 3XX/GXX 305/GXX NAP/LBA NAP | 1100/1900 | 31 | 5860 | | \$900 |
| 5 | Financial Presentation - Exempt Appropriate Appropriation Code Higher Education Activity E&G or NonE&G Revenue G/L On Impairment of Cap Asset | 399/GXX NAP/LBA NAP | 1100/1900 | 31 | 6504 | \$900 ⁽³⁾ | |
| 6 | Financial Presentation - Exempt Appropriate Appropriation Code Higher Education Activity E&G or NonE&G Expense Other Maintenance /Repair Svcs | 399/GXX NAP/LBA NAP | 1100/1900 | 22 | 2210 | | \$900 ⁽³⁾ |
| ACTIVITY = RECORD INSURANCE PROCEEDS RECEIVED IN THE FISCAL YEARS FOLLOWING THE EXPENSE | | | | | | | |
| 7 | Appropriate Fund Higher Ed NonTABOR Enterprise ⁽²⁾ Not used with Balance Sheet Accounts Asset Cash | 3XX/GXX 305/GXX XXX | XXX | 01 | 1100 | \$900 | |
| 8 | Appropriate Fund Higher Ed NonTABOR Enterprise ⁽²⁾ Appropriate Appropriation Code Higher Education Activity E&G or NonE&G Revenue Insurance Recovery - Previous Yrs | 3XX/GXX 305/GXX NAP/LBA NAP | 1100/1900 | 31 | 5861 | | \$900 |

(1) If the event is significant and meets the impairment tests defined in GASB 42, the accounting must comply with measurement methods defined in GASB 42. This includes the Restoration Approach, Service Units Approach, or the Deflated Depreciation Replacement Cost Approach. See Model Q for Insurance Recoveries on Impaired Assets.

(2) May be Fund 320 if expense is incurred in a TABOR Exempt Enterprise. Proceeds should be recorded in same fund as expense.

(3) This entry is limited to the amount of maintenance expense recorded in 2210 (or comparable account). If the insurance recovery exceeds the restoration or replacement cost then a gain on impairment is reported. Note that account 5860 and 6504 are reported in the same line on the financial statements.